

FISCAL NOTE
SB 401 - HB 1021

March 5, 2003

SUMMARY OF BILL: Exempts local government employees from paying the professional privilege tax if the employee is prohibited from engaging in private practice.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - \$1,216,000

Increase State Expenditures - Not Significant - One-Time

Estimate assumes:

- Based on estimates of the Bureau of Labor Statistics, of the percentage of local government employees in each of the categories covered by the professional privilege tax, 3040 of the 145,000 currently subject to the tax, are local employees.
- All local government employees forego the right to engage in private practice.
- The professional privilege tax is \$400.
- The decrease in state revenue is calculated as $\$400 \times 3040 = \$1,216,000$.
- Notification to the affected taxpayers can be accomplished without an individual mailing to each taxpayer.

For information purposes, it should be noted that should the bill become law prior to the due date of the FY02-03 tax, state revenues would decline beginning with FY02-03 as opposed to FY03-04. The act takes effect upon becoming law.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director